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DEPARTMENT OF STATE

Memorandum of Conversation

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DATE: December 22, 1960

SUBJECT: Toyota Waiver

PARTICIPANTS: Mr. Hisahara Kajita, First Secretary, Embassy of Japan

Mr. Edward A. Bolster, Director, TRC

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In the course of a conversation on a number of matters, Mr. Kajita commented that there undoubtedly would be numerous maritime problems to be resolved between Japan and the United States in 1961. He referred specifically to Maritime's denial of the 50-50 waiver on Eximbank-financed cargo being shipped to Toyota. He had had further discussions with officials of Maritime in the last few days, in which they had indicated that they were dissatisfied with the shift in cargo from United States flag to Japanese flag vessels. Mr. Kajita assured me that if any such shift had taken place it was completely without guidance or direction from the Japanese Government and that it was the result of normal commercial relationships. The Foreign Office is reviewing the matter in the light of the FCN treaty. The tentative conclusion has been reached that all the treaty requires is that there be freedom of opportunity to compete. Insofar as the Japanese Government is concerned, such freedom exists.

I explained to Mr. Kajita that the Department was actively studying the matter and is reviewing it with the Department of Commerce in the hope that a mutually satisfactory disposition of the Toyota problem could be found. Such a disposition, if it is developed, would probably be accompanied by some broad-scale approach by the United States Government to the Japanese Government in an effort to resolve the growing imbalance in the US share of cargo.

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